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CIG Dir #12

**\*ARMY Declass/Release Instructions On File\***

19 June 1946

**MEMORANDUM FOR THE DIRECTOR, CENTRAL INTELLIGENCE GROUP:**

(Attn: Colonel [REDACTED])

25X1A

**SUBJECT: Interim Survey of the Adequacy of Intelligence Facilities  
Related to the National Security**

1. The following information is submitted in compliance with requests contained in your memorandum dated 13 June 1946, subject as above. Answers given correspond to lettered paragraphs of your memorandum. Figures given do not include overseas installations.

25X9 2. Recommended strength of MID to accomplish post-war missions:  
(par a): [REDACTED]

25X9 3. Current authorized strength (Directive, Chief of Staff, 1 April 1946), (par b): [REDACTED]

4. Functions and activities to be eliminated (par g). See inclosures attached.

25X9 5. Directive from the Deputy Chief of Staff, 1 April 1946, authorized a strength of [REDACTED] excluding ASA; the memorandum also warned that about 11 September 1946 the personnel situation would again be studied with a view to further reductions. No indication was given, however, of the extent of further reductions. (par d and g)

25X9 The War Manpower Board has authorized the Army Security Agency [REDACTED]

25X9 While this authorization has not been reduced, the budget for the Fiscal Year 1947 has been sharply cut to the point that only sufficient funds will exist to provide approximately [REDACTED]. As such, no further hiring of personnel is possible

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and it is hoped that normal summer losses plus encouraged resignations will lower the total strength of the Agency by 1 September 1946 to a figure which can be accommodated by the budget. It is entirely possible that a formal reduction in force will be necessary in order to meet the required strength. It is not contemplated that there will be any change in the authorization for military personnel.

The reduction in civilian personnel caused by the reduction in the budget will have the following effects in the Army Security Agency:

a. The Operations Division will not be capable of performing more than sixty (60) percent of the mission assigned to it by the War Department. Of more serious consequence is the loss of continuity of many minor but yet vitally important systems.

b. The Security Division cannot maintain adequate safeguards on United States Army communications, safeguards that will deny foreign governments the opportunity to solve our cryptographic systems. Considerable information through traffic analysis and errors in transmission procedures will be available to foreign governments.

c. The Research and Development Division will not be able to develop equipment capable of intercepting new methods of foreign transmissions with the result that eventually the important circuits of the world will be secure from interception by this country. In addition, new methods of cryptanalytic solution in the field of electronics will be so dangerously curtailed that this Agency will not be able to keep abreast of the solution of highly refined cryptographic systems used by the major powers.

6. Reference paragraphs f to h, inclusive, of your memorandum, the following is submitted:

a. The attached inclosure (Appendix B) gives in detail the effects of personnel reductions on the functions and responsibilities of the MID and its subordinate sections. At the present time no functions heretofore performed have been completely eliminated; however, War Department Circular 138 assigns additional functions and responsibilities to this Division, particularly in the field of counter and domestic intelligence, which have not yet been assumed by reason of lack of personnel. Any reduction of personnel necessarily will require a proportional reduction in performance of functions. The present strength [REDACTED] permits a partial performance of all functions. A reduction to a total strength of [REDACTED] however, will require the elimination of those functions listed in the recapitulation of the attached inclosure (Appendix B). It therefore becomes immediately apparent that the elimination of the functions so listed prevents the Director of Intelligence from fulfilling his mission. It is believed that the absolute minimum strength necessary to permit even a partial fulfillment of functions and responsibilities assigned to this Division is [REDACTED] and [REDACTED]. The current total strength of [REDACTED] as compared to the

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25X9 war-time peak (June 1945) of [REDACTED] has already resulted in curtailment of all functions; some seriously. Even this strength does not permit fulfillment of the new counter and domestic intelligence functions taken over from ASF and which are so important.

25X9 b. Experience has shown that a nearly complete fulfillment of functions and responsibilities assigned to this Division is possible with about a total of [REDACTED] excluding ASA. Any reduction therefrom requires a corresponding reduction in the degree of fulfillment for all functions; 25X9 any reduction below [REDACTED] will require elimination of functions.

7. It is recommended that the Director of the Central Intelligence Group take the following action (par 1):

a. Request higher authority to issue immediately directives suspending all reductions in all U. S. intelligence agencies until 1 January 1947 at least, or until such time as CIG is capable of fulfilling its mission; otherwise, it will be practicably impossible to rebuild an organization essential to perform functions assigned by the President once elements have been lost.

b. Review functions, responsibilities and organization of all U. S. intelligence agencies with a view to determining which functions can best be assumed by the central agency.

c. Compile, or select from existing U. S. intelligence agencies, the best basic intelligence directives issued for collection of information and assign existing agencies responsibility for collection of information best suited to their means, retaining for CIG responsibility for collection of information best accomplished by a central operating group.

d. Formulate and adopt a plan for the production of intelligence necessary to accomplish the mission assigned to CIG, and delegate to existing U. S. intelligence agencies responsibility for executing parts of that plan for which each is best suited.

e. Assume all other functions and responsibilities common to all, including the personnel currently performing those functions. It is this final step which will result in the most economic use of personnel.

f. Reference ASA, immediate action should be taken to increase the proposed budget of [REDACTED] should be restored to the Research and Development Division for development of essential cryptographic equipment.

FOR THE DIRECTOR OF INTELLIGENCE:

2 Incls

1. Appendix A.
2. Appendix B.

J. A. MICHELA  
Colonel, GSC  
Executive Director

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# MISSING PAGE

ORIGINAL DOCUMENT MISSING PAGE(S):

Enclosures (2)